



Virginia  
Regulatory  
Town Hall

## Proposed Regulation Agency Background Document

<b>Agency Name:</b>	Department of Health
<b>VAC Chapter Number:</b>	12 VAC 5-520
<b>Regulation Title:</b>	Regulations Governing the Dental Scholarship and Dentist Loan Repayment Program
<b>Action Title:</b>	Make emergency dental scholarship regulations permanent
<b>Date:</b>	4/13/01

This information is required pursuant to the Administrative Process Act (§ 9-6.14:9.1 *et seq.* of the *Code of Virginia*), Executive Order Twenty-Five (98), Executive Order Fifty-Eight (99), and the *Virginia Register Form, Style and Procedure Manual*. Please refer to these sources for more information and other materials required to be submitted in the regulatory review package.

### Summary

*Please provide a brief summary of the proposed new regulation, proposed amendments to an existing regulation, or the regulation proposed to be repealed. There is no need to state each provision or amendment or restate the purpose and intent of the regulation; instead give a summary of the regulatory action and alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.*

New regulations are proposed for orderly administration of the dentist loan repayment program which was established to fund graduating dentists as an incentive to practice in underserved areas of the Commonwealth. This program will operate in conjunction with the existing scholarship program. Due to the need for both programs to function together to meet the need in underserved areas, proposed amendments are also made for the existing dental scholarship program defined in Section 32.1-122.9 of the Code of Virginia. As such, amending definitions of scholarship areas of need, amount of scholarship and distribution of scholarship funds are a necessary part of the action to adopt the loan program regulations. To do one program in isolation of the other may jeopardize the interests and integrity of the other.

## Basis

*Please identify the state and/or federal source of legal authority to promulgate the regulation. The discussion of this statutory authority should: 1) describe its scope and the extent to which it is mandatory or discretionary; and 2) include a brief statement relating the content of the statutory authority to the specific regulation. In addition, where applicable, please describe the extent to which proposed changes exceed federal minimum requirements. Full citations of legal authority and, if available, web site addresses for locating the text of the cited authority must be provided. Please state that the Office of the Attorney General has certified that the agency has the statutory authority to promulgate the proposed regulation and that it comports with applicable state and/or federal law.*

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Through an act of the General Assembly of Virginia, the Code of Virginia has been amended by adding a section numbered 32.1-122.9:1 authorizing the Board to establish “a dentist loan repayment program for graduates of accredited dental schools ...who agree to perform a period of dental service in the Commonwealth in an underserved area as defined in § 32.1-122.5 of the dental scholarship program or a dental health professional shortage area designated in accordance with the criteria established in 42 C.F.R. Part 5.” This Section also authorizes the State Board of Health to “promulgate regulations to implement the Dentist Loan Repayment Program within 280 days of enactment of the provision.” Additionally, subsection B of Section 32.1-122.9 of the Code of Virginia authorizes the Board, “after consultation with the School of Dentistry of Virginia Commonwealth University, to promulgate regulations to administer...[an annual dental] scholarship program.” The Office of the Attorney General has certified that the agency has the statutory authority to promulgate the regulation and that it comports with applicable state and/or federal law.

## Purpose

*Please provide a statement explaining the need for the new or amended regulation. This statement must include the rationale or justification of the proposed regulatory action and detail the specific reasons it is essential to protect the health, safety or welfare of citizens. A statement of a general nature is not acceptable, particular rationales must be explicitly discussed. Please include a discussion of the goals of the proposal and the problems the proposal is intended to solve.*

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Adoption of the dentist loan repayment regulations and amendments to the dental scholarship regulations are needed to carry out the mandates of the Code of Virginia in a orderly and equitable manner, to assure that dental health services are available in the underserved areas of Virginia and to provide that no citizen of the Commonwealth will be without the availability of dental services.

## Substance

*Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. Please note that a more detailed discussion is required under the statement providing detail of the regulatory action's changes.*

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The new substantive provisions include the details for administering the newly established dentist loan repayment program. The substantive changes to the existing sections of the dental scholarship program include updating format to the the Virginia Register Form, Style and Procedure Manual and assuring that the two programs work together in an orderly manner.

## Issues

*Please provide a statement identifying the issues associated with the proposed regulatory action. The term "issues" means: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please include a sentence to that effect.*

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The primary advantages of the proposed regulatory action is to administer a dental scholarship and dentist loan repayment program in the most efficient manner so that it is attractive to dentists to enroll in these programs and increase dental services in underserved areas of the Commonwealth.

## Fiscal Impact

*Please identify the anticipated fiscal impacts and at a minimum include: (a) the projected cost to the state to implement and enforce the proposed regulation, including (i) fund source / fund detail, (ii) budget activity with a cross-reference to program and subprogram, and (iii) a delineation of one-time versus on-going expenditures; (b) the projected cost of the regulation on localities; (c) a description of the individuals, businesses or other entities that are likely to be affected by the regulation; (d) the agency's best estimate of the number of such entities that will be affected; and e) the projected cost of the regulation for affected individuals, businesses, or other entities.*

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There is no fiscal impact of the amendments to the Dental Scholarship Program. This program is currently operating with a general fund allocation for the scholarships which are distributed annually. The administrative cost of operating the program which is a personnel cost is currently absorbed by the agency using general funds as an ongoing expenditure. Virginia Commonwealth University also contributes staff time to this program. The addition of the Dentist Loan Repayment Program will increase the administrative expenditure to the agency through increased staff time as well as the fiscal accounting for the program. There is no cost associated with these programs that affect localities, businesses or other entities.

## Detail of Changes

*Please detail any changes, other than strictly editorial changes, that are being proposed. Please detail new substantive provisions, all substantive changes to existing sections, or both where appropriate. This statement should provide a section-by-section description - or cross-walk - of changes implemented by the proposed regulatory action. Where applicable, include citations to the specific sections of an existing regulation being amended and explain the consequences of the proposed changes.*

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Adoption of the loan repayment regulations 12 VAC 5-525-10 to 12 VAC 5-525-210 will include: (i) defining applicants eligible for the program, including provisions that students of economically disadvantaged backgrounds receive due consideration; (ii) setting an amount of the loan repayment award; (iii) establishing criteria for the administration of the program in concert with the dental scholarship program; (iv) defining the contractual practice obligation of loan repayment recipients; (v) defining the conditions of default; (vi) criteria for repayment in event of default; (vii) enumerating reporting requirements of recipients; (viii) defining the loan repayment award amount; and (ix) allowing for special requests and approval in the event a fractional need for a dentist exists in an underserved community.

The following amendments to the dental scholarship program regulations will provide for the orderly administration of the program in conjunction with the dentist loan repayment program: (i) amending Section 12 VAC 5-520-10 and deleting Sections 12 VAC 5-520-40 and 12 VAC 5-520-50 to define words and terms used in the regulation as provided for in the Virginia Register Form, Style and Procedure Manual; (ii) amending Section 12 VAC 5-520-80 and deleting Sections 12 VAC 5-520-40 to 12 VAC 5-520-70 to concisely define dental underserved area and to be consistent between the dental scholarship and loan repayment programs; (iii) Moving Sections 12 VAC 5-520-60 and 12 VAC 5-520-70 regarding special requests and fractional need to follow general regulations as provided for in the Virginia Register Form, Style and Procedure Manual; and (iv) adopting Sections 12 VAC 5-520-130 to 12 VAC 5-520-210 to define eligible scholarship applicants, distribution of scholarships, contractual practice obligation, default, repayment and reporting to be consistent with the regulations adopted for the dentist loan repayment program.

## Alternatives

*Please describe the specific alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action.*

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No alternatives are possible in ensuring adequate administration of these programs. Regulations are needed to ensure the orderly operation of the dentist loan repayment and dental scholarship programs.

**Public Comment**

*Please summarize all public comment received during the NOIRA comment period and provide the agency response.*

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There was no public comment received during the NOIRA comment period.

**Clarity of the Regulation**

*Please provide a statement indicating that the agency, through examination of the regulation and relevant public comments, has determined that the regulation is clearly written and easily understandable by the individuals and entities affected.*

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The agency strove to draft the regulations without the use of highly technical terms and jargon so that they would be clearly understood by the individuals and entities affected. There was no public comment on the emergency regulations indicating a concern of this nature.

**Periodic Review**

*Please supply a schedule setting forth when the agency will initiate a review and re-evaluation to determine if the regulation should be continued, amended, or terminated. The specific and measurable regulatory goals should be outlined with this schedule. The review shall take place no later than three years after the proposed regulation is expected to be effective.*

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These regulations will be reviewed within three years of the date on which they become effective.

**Family Impact Statement**

*Please provide an analysis of the proposed regulatory action that assesses the potential impact on the institution of the family and family stability including the extent to which the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

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Many Virginians, mainly in non-metropolitan areas, will benefit from the adoption of the dentist loan repayment program and amendments to the dental scholarship program. These actions are necessary to improve the access to dental health services and ensure adequate availability of dental services in areas of Virginia where there are presently insufficient dental services.